

SB 388 -- LOAN GUARANTEES

SPONSOR: Klindt (King)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Agriculture by a vote of 19 to 0.

Currently, the Missouri Agricultural and Small Business Development Authority issues certificates of guaranty covering a first loan guarantee up to 25% of a Single-Purpose Animal Facility Loan. This bill increases the guarantee to up to 50% of a loan.

The bill also decreases from 40% to 20% the immediate redemption amount of the outstanding loans guaranteed by way of the Single-Purpose Animal Facility Loan Guarantee Fund.

FISCAL NOTE: No impact on state funds.

PROPOSERS: Supporters say that young people wanting to enter livestock production find it difficult to obtain financing for livestock facilities. The bill reduces the risk to banks making approved loans to both new producers and established producers wishing to upgrade or expand.

Testifying for the bill were Senator Klindt; Missouri Farm Credit Services; and Missouri Agricultural and Small Business Development Authority.

OPPOSERS: There was no opposition voiced to the committee.

Roland Tackett, Legislative Analyst